

Message Text

PAGE 01 STATE 302717
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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: DECEMBER 20 EA PRESS SUMMARY

1. VIETNAM

AT END SECOND DAY OF US-SRV TALKS TUES, US DEL SPOKESMAN
CANNON ANNOUNCED VIET WILL FREE "BRILLIG" CREW; ADDED THAT
CONFEREES HAD "CONSTRUCTIVE AND POSITIVE TALK" RE NORMALI-
ZATION RELS, WHICH HAVE YIELDED "BETTER UNDERSTANDING OF
EACH OTHER'S VIEWS" (REUTER PARIS).
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PAGE 02 STATE 302717

DOS ANNOUNCED MON THAT USG INFORMED BY VIET AUTHORITIES
THAT 3 AMCITS WOULD BE RELEASED IN TIME FOR CHRISTMAS.
FOLLOWING MONDAY'S SESSION NEITHER SIDE DISCLOSED SPECIFIC
SUBJECTS DISCUSSED (GWERTZMAN, NYT SPEC). CANNON, HOWEVER,
SAID TALKS MONDAY WERE "CORDIAL AND CANDID"/COVERED BOTH
REGIONAL/GLOBAL TOPICS--BROADENING OF ISSUES DISCUSSED
IN 1ST 2 ROUNDS. FIRST SESSION LASTED 3 HRS AT SRV EMBASSY
WHILE POLICE BROKE UP DEMONSTRATION OUTSIDE BY 12 REFUGEES
DEMANDING RESTORATION HUMAN RTS IN VN (UPI PARIS, JOC;
ALSO SEDBON, REUTER; WP; SUN; CSM).

2. VIETNAM/THAILAND

THAI CABINET ACCEPTS SRV OFFER TO REOPEN TELETYPE LINK
BETWN BANGKOK/HO CHI MINH CITY. NEW CHANNEL WILL BOOST
COMMUNICATIONS FACILITIES NEEDED WHEN THAI/INTL AIRLINES
FLY OVER VN TO HK (REUTER BANGKOK).

SPEAKING BEFORE CHAIRMEN 7 CHAMBERS COMMERCE IN SECOND
WK DEC, GEN KRIANGSAK OUTLINED 3-POINT POLICY FOR FON
INVESTMENT: ENCOURAGEMENT FON INVEST; INTRODUCTION
TECHNOLOGY; ADMISSION MORE HEAVY INDUSTRIES (LORENZ, JOC
BANGKOK).

3. JAPAN

IN TAPED TV BROADCAST MONDAY EVE, FUKUDA SAID GOJ WILL
"MAKE EFFORTS" REDUCE TRADE SURPLUSES TO ZERO. PM
STATED "GENERAL AGREEMENT" HAD BEEN REACHED BETW US/JAPAN,
ADDING GOJ WOULD TRY "STABILIZE BUSINESS" BY EXPANDING
DOMESTIC DEMAND IN FY78 (CULLISON, JOC TOKYO). FUKUDA
ALSO EXPRESSED CONFIDENCE JAPAN WOULD ATTAIN 7 PCT
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PAGE 03 STATE 302717

GROWTH TARGET NEXT FY, THO NOMURA RESEARCH INSTITUTUE
OF TECHNOLOGY/ECONOMICS FORECASTS MAX GROWTH 4.6 PCT
(REUTER TOKYO 12/19).

IN INTERVIEW PUBLISHED IN TOKYO FINANCIAL DAILY 12/20,
USHIBA SAID THERE IS STRONG POSSIBILITY CONGRESS MAY
ENACT IMPORT CURBS AGAINST JAPAN IF PRESENT TRADE TALKS
FAIL. TERMED SITUATION "FAR MORE SERIOUS" THAN DURING
US-JAPAN 1970 TEXTILE NEGOTS. USHIBA ADDED IT WAS
ADVISABLE SETTLE TRADE DISPUTE THRU TALKS W/STRAUSS
BEFORE CONGRESS RECONVENES (REUTER TOKYO).

REUTER (TOKYO) ALSO REPORTS USHIBA TOLD CABINET 12/20
TOKYO'S EXTERNAL RELS WOULD BE ADVERSELY AFFECTED IF
COUNTRY'S TRADE DISPUTE W/US REMAINS UNSETTLED. WARNED
FURTHER LIBERALIZATION JAPANESE MKTS NEEDED IN ORDER
MEND STRAINED US-JAPAN RELS/STOP INCREASED US CALLS FOR
PROTECTIONIST MEASURES.

INFLUENTIAL BUSINESS LEADERS MONDAY URGED FUKUDA STEP
UP FARM PRODUCTS IMPORTS TO HELP EASE STRAINED TRADE
RELS W/US, EC. PM RESPONDED THAT HE COULD NOT AGREE TO
IMMEDIATE LIBERALIZATION FARM PRODUCTS IMPORTS IN LIGHT
JAPAN'S ALREADY LOW FOOD SELF-SUFFICIENCY (UPI, JOC).

DIRECTOR FON MINISTRY'S ECON AFFAIRS BUREAU MOTONO TOLD
TOKYO NEWS CONF 12/17 GOJ HAS DONE ALL IT CAN THIS YEAR
TO HELP BALANCE JAPAN'S TRADE SURPLUS W/US; SAID JAPAN

WILL MAKE NO FURTHER TARIFF CUTS/IMPORTS QUOTA INCREASES
IN NEAR FUTURE (LAT 12/17).

JOC NOTES WIDELY-REPORTED ITEM RE JAPAN'S RECORD CUMULA-
TIVE CURRENT ACCOUNT SURPLUS, WHICH WILL EXCEED 10 BIL
DOLS BY END DECEMBER. ALSO REPORTS INDEPENDENT JAPANESE
ECONOMISTS PREDICT THIS SURPLUS WILL REACH 11.2 BIL
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PAGE 04 STATE 302717

DOLS FOR CALENDAR '77.

WP'S ROWE REPORTS TREASURY EXPECTS FINISH CALCULATING
REFERENCE STEEL PRICES BY END DECEMBER. JAPANESE STEEL
MFRS HAVE SUPPLIED DATA ON PRODUCTION COSTS TO US
OFFICIALS ALL WEEK. OFFICIALS REVIEWING DATA HAVE
FOUND SOME DIFFICULTY IN TRYING INSURE THAT PRODUCTION
COSTS REPORTED BY JAPANESE ARE COMPARABLE TO COSTS
REPORTED BY US COUNTERPARTS.

FACING BANKRUPTCY, WATANABE SHIPBUILDING HAS APPLIED
FOR COURT PROTECTION W/DEBTS ESTIMATED AT SOME 37.4 MIL
DOLS. FIRM ANALYZING WATANABE'S FAILURE
LOSS TO SHARP DROP IN SHIP ORDERS, WHICH IN TURN REFLECTS
STEEP RISE IN YEN VALUE (CULLISON, JOC; WSJ).

4. KOREA

SK FON MIN PARK TONG JIN TOLD REPORTERS IN SEOUL 12/19
PLANNED US TROOP W/DRAWAL SHOULD BE RECONSIDERED IF
SCANDAL OVER ALLEGED KOREAN INFLUENCE-BUYING ADVERSELY
AFFECTS SKOREAN SECURITY. PARK REFUSED ANSWER QUESTIONS
ABOUT WHAT WAS DELAYING FINAL AGREEMENT IN US' EXTRADITION
REQUEST ON TONGSUN PARK. SAID AFTER TONGSUN PARK CASE
RESOLVED, THERE WOULD BE NO SERIOUS PROBLEMS LEFT BETW
SK/US. GAVE FLAT "NO" WHEN ASKED WHETHER SK'S HUMAN
RTS SITUATION WAS STILL SOURCE OF DISPUTE BETW SK/US
(REUTER SEOUL 12/19).

PRES PARK RESHUFFLES CABINET, CREATING NEW PORTFOLIO
FOR ENERGY/RESOURCES, APPOINTING NEW DEFENSE MIN. PM
CHOI/DEP PM NAM RETAINED POSITIONS (REUTER SEOUL).

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PAGE 05 STATE 302717

DOJ'S CIVILETTI SAID 12/19 ONLY FINE POINTS REMAIN
UNRESOLVED IN NEGOTIATING FOR TONGSUN PARK TESTIFY ON
INFLUENCE-BUYING. REITERATED EARLIER STATEMENT THAT
US/SK "VERY CLOSE" TO AGREEMENT ON PARK, SAID HE WAS
CONVINCED ROKG NOT DECEIVING US OFFICIALS IN ITS ASSUR-

ANCES OF COOPERATION (REUTER 12/19).

SKOREAN JUSTICE MINISTRY SPOKESMAN CONFIRMS KIM DAE
JUNG WAS TRANSFERRED FROM HIS CELL TO HOSPITAL EARLY

12/19, BUT SAID HE REMAINS PRISONER. ROKG HAS DESCRIBED
KIM'S AILMENT AS ARTHRITIS, THO HIS FRIENDS SAY KIM'S
GENERAL PHYSICAL CONDITION HAS BEEN GROWING WORSE IN
RECENT WEEKS (CHAPMAN, WP TOKYO). REUTER'S ILSON (SEOUL
12/19) ADDS FEW HOURS AFTER KIM ADMITTED, AUTHORITIES
ALLOWED HIS FAMILY MEET HIM FOR 1 HR.

5. PHILIPPINES

US FED COURT JUDGE IN DETROIT HAS THROWN OUT CONVICTION OF
2 FILIPINA NURSES ACCUSED POISONING MICH VA HOSPITAL
PATIENTS, SAYING PROSECUTION WAS GUILTY MISCONDUCT/"POLLUT-
ING THE WATERS OF JUSTICE." JUDGE SAID NO SINGLE INSTANCE
OF MISCONDUCT WAS ENOUGH TO JUSTIFY REVERSAL OF JURY'S
DECISION; HOWEVER, AFTER RECORD REVIEWED/REFLECTED ON,
HE CAME TO CONCLUSION TRIAL SHOWED "PATTERN OF MISCONDUCT."
JUDGE SAID DEFENSE HAD BEEN DELIBERATELY FRUSTRATED BY
GOVT PROSECUTOR IN PREPARING PROPERLY FOR TRIAL/PROSECUTION
GAVE DAMAGING STATEMENTS TO PRESS, BUILT ITS CASE ON
CIRCUMSTANTIAL EVIDENCE. DECISION LEAVES NEXT COURSE ACTION
IN HANDS PROSECUTION, WHICH MUST DECIDE WHETHER TRY NURSES
AGAIN/DROP CHARGES (REUTER; ALSO AP, SUN W/PHOTO NURSES,
PHINQ, WP W/PHOTOS NURSES, JUDGE).

NYT'S STEVENS SAYS UNUSUAL FOR JUDGE WHO PRESIDED OVER CASE
TO ORDER NEW TRIAL AFTER LETTING 1ST ONE PROCEED FULL
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PAGE 06 STATE 302717

COURSE (W/AP PHOTO NURSES).

MARCOS ANNOUNCES HIS LEGISLATIVE ADVISORY COUNCIL WILL MEET
NEXT MONTH TO DECIDE WHETHER HOLD 1ST ELECTIONS SINCE
MARTIAL LAW INTRODUCED. REUTER (MANILA 12/19) SAYS MARCOS
CLEARLY CONSIDERS HE RECEIVED HUGE VOTE HE WANTED IN
SATURDAY'S REFERENDUM.

6. CHINA

NY MET OPERA ANNOUNCED 12/19 150-MEMBER BALLET TROUPE OF
PRC WILL TOUR US FOR MONTH BEGINNING JULY 5. PERFORMANCES
TO BE GIVEN IN NYC, DC, MINNEAPOLIS, LA, SF. TOUR RESULTED
FROM 2 YRS NEGOTIATION W/PRC BY MET/NCUSCR. PRC PAYING
TRANSPORT TO/FROM US. PERFORMANCES AND PROGRAMS TO BE
PRESENTED: "THE WHITE-HAIRED GIRL"/OTHER DANCE EXCERPTS,
MUSICAL SOLOS (AP WP, CSM, LEOGRANDE-NYDN).

WHEN QUESTIONED ABOUT PROPAGANDISTIC NATURE OF "WHITE-

HAired GIRL" BALLET, MET EXECUTIVE DIRECTOR BLISS SAID PRC HAD REVISED WORK, AND THAT BALLET REFLECTS "KIND OF CULTURE THAT IS GOING ON IN CHINA NOW." PRC ALSO SAID TO HAVE TOLD BLISS THAT WITH GANG OF 4 PURGED, CULTURAL EVENTS WILL BE MORE ARTISTIC. TOUR HAD "EARLY" DOS APPROVAL. COSTS INCURRED IN US TO BE BORNE BY US CO-SPONSORS (ERICSON, NYT).

PRC 12/20 ANNOUNCED REVISION OF 853 MORE CHINESE CHARACTERS IN SIMPLIFIED FORM FOR POPULAR USE/INDICATED ULTIMATE AIM REMAINED ROMANIZATION OF LANGUAGE W/PHONETIC ALPHABET (MACKENZIE, REUTER PEKING).

7. INDONESIA
UNCLASSIFIED

PAGE 07 STATE 302717

IN SYMBOLIC CEREMONY TUES, GOI FREED 10,000 POL PRISONERS, HELD FOR YRS W/O TRIAL. AS FON DIPLOS/NATL SECURITY CHIEF SUDOMO LOOKED ON, 1300 ALLEGED COMMUNISTS/SYMPATHIZERS PLEDGED LOYALTY TO SUHARTO/RENOUNCED COMMUNIST IDEOLOGY. REUTER (TANJUNG KASAU) REPORTS PRISONERS IN N SUMATRA LOOKED FIT, BUT APPEARED "APATHETIC" TOWARD THEIR RELEASE, WHICH REGARDED AS MOVE TO IMPROVE INDO'S RELS W/COMMUNIST NATIONS. FOLLOWING FAMILY REUNIONS, PRISONERS WILL BE PROVIDED W/HOUSE/5 ACRES LAND FOR FARMING UNDER REHAB PROGRAM (ALSO CSM).

COMMENT AND ANALYSIS

8. KOREA

WSTAR'S BRADSHER SAYS SENS HUMPHREY/GLENN ARE PREPARING REPORT CHALLENGING SOME ASPECTS ADMIN'S TROOP W/DRAWAL PLANS. STATES REPORT WILL RAISE QUESTIONS ON WAY DECISION TAKEN; WHETHER W/DRAWAL CAN BE ACCOMPLISHED BY 1982 DEADLINE W/O CREATING MILITARY RISKS; WHETHER ALLIES ADEQUATELY CONSULTED. DRAFT SCHEDULED FOR SUBMISSION TO ADMIN THIS WEEK, W/FINAL REPORT EXPECTED BE PUBLISHED EARLY NEXT YR.

9. JAPAN

NYT'S MALCOLM (TOKYO) DOES ITEM ON DIFFICULTIES FACING FON BUSINESSES IN JAPAN. REMARKS NO "HANDFUL OF ACTIONS REACHED OVER SOME POLISHED BARGAINING TABLE" WILL CHANGE COUNTRY'S ENTRENCHED ECON SYSTEM REFLECTING JAPAN'S "CLANNISH, INSULAR STRUCTURE." CITES SEVERAL BARRIERS TO FON BUSINESS IN JAPAN, INCL OFFICIAL FOJ REGULATIONS/CULTURE DIFFERENCES/ LANGUAGE DIFFICULTIES.

10. AUSTRALIA

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PAGE 08 STATE 302717

ON AUSTRALIA'S RECENT ELECTIONS, LAT'S MCARTHUR (SYDNEY 12/18) FINDS FRASER COALITION RECEIVED VOTE OF CONFIDENCE, BUT DOUBTFUL THIS VICTORY WILL GET AUSTRALIA MOVING AGAIN. REMARKS DESPITE FRASER'S RE-ELECTION, MANY AUSTRALIANS HAVE GRAVE MISGIVINGS OVER PM'S ABILITY HANDLE PROBLEMS LIKE LOW ECON GROWTH/UNEMPLOYMENT/BOP CRISIS. OPINES IF FRASER CAN DEAL W/THESE DIFFICULTIES, HE COULD BE AT TOP FOR MANY YRS. CAUTIONS, HOWEVER, THAT HIS PARTY HAS REPUTATION FOR "CUT-THROAT BATTLES" WHEN ITS LEADERS FALTER.

NYT'S KAMM (SYDNEY) PROFILES SHIRLEY SMITH--ABORIGINAL WOMAN WHO HAS BECOME CHAMPION OF ABORIGINES' RIGHTS. SMITH SAYS WHILE THINGS HAVE IMPROVED SINCE '76 (WHEN ABORIGINES RECOGNIZED CITIZENS), "AUSTRALIA IS A RACIST COUNTRY, I DON'T CARE WHERE YOU GO."

11. CHINA

ROWAN (WSTAR 12/19) SUGGESTS PRC ADMONITIONS TO US RE SOVIET MILITARY DESIGNS ON WEST EUROPE/GLOBAL HEGEMONIC AMBITIONS SHOULD NOT BE DISMISSED AS GROUNDLESS. SAYS PRC WARNINGS "TAKE ON SPECIAL MEANING WHEN EVIDENCE POPS UP THAT WE AMERICANS HAVE DRIFTED FROM HYSTERIA TO SLUMBER" RE USSR. CONCLUDES ESPIONAGE IN FRG, COUPLED W/ GENERAL EROSION OF NATO, SUGGESTS US OUGHT SHARE SOME OF PEKING'S CONCERN.

MATHEWS (LAT HK 12/19) REPORTS ON CONTINUING PURGES OF GANG OF 4 SYMPATHIZERS. SAYS OLD-LINE BUREAUCRATS/ MIL MEN RECENTLY RETURNED TO POWER NOW METHODICALLY FORCING OUT OF OFFICE/PUBLICLY HUMILIATING RADICAL, YOUNGER POLS. BELIEVES CAMPAIGN DESIGNED BY TENG, UNCLASSIFIED

PAGE 09 STATE 302717

BUT SUGGESTS PURGES MAY BE OLD-FASHIONED VENDETTAS RATHER THAN TRUE IDEOLOGICAL STRUGGLES; AND ACCUMULATING EVIDENCE SUGGESTS POLS AT LOCAL/PROVINCIAL LEVELS MAY BE USING CAMPAIGN AS EXCUSE TO SETTLE PURELY PERSONAL SCORES.

MATHEWS ALSO OBSERVES QUESTION ARISES AS TO WHY TENG HAS NOT SOUGHT REVENGE AGAINST POLITBURO MEMBERS INVOLVED IN HIS '76 PURGE. NOTES THAT DEMONSTRATION BY TENG SUPPORTERS IN TIEN AN MEN SQUARE QUICKLY PUT DOWN BY WU TEH/GEN CHEN HSI-LIEN. YET EXCEPT FOR INDIRECT CRITICISM IN WALL POSTERS, BOTH APPEAR NOW "RIDING HIGH."

LAT (12/19 HK) REPORT ON GANG OF 4 NOTES THAT CONVERSATIONS W/MIDDLE RANKING CADRES SUGGEST RADICALS

ALIVE/LIVING ABOUT AS COMFORTABLY AS BEFORE FALL. IN PEKING DIPLO CIRCLES, IMPRESSION IS THAT 4 ARE UNDER HEAVY GUARD IN CHUNGKING; THAT THEY STILL RECEIVE SALARY FROM CCP. EXECUTIONS APPEAR OUT OF QUESTION, REPORT NOTES.

MATHEWS (LAT HK 12/18) OBSERVES PRC APPEARS CAUGHT UP IN GENUINE DEBATE OVER WHETHER BONUSES SHOULD BE GIVEN PRODUCTIVE FACTORY WORKERS. "KWANGMING DAILY" HAS FOR PAST MONTH PUBLISHED WKLY FULL-PG FORUM ON ISSUE. SAYS THIS DEBATE SUGGESTS TO ANALYSTS THAT IT MAY TAKE LONG TIME FOR LEADERS LAY NECESSARY GROUNDWORK TO IMPLEMENT BONUSES.

12. VIETNAM

NYT'S LEONARD REVIEWS FRANK SNEPP'S "DECENT INTERVAL"-- "BOTCH-BY-BOTCH ACCOUNT" OF US FAILURE TO PLAN ADEQUATELY FOR EVACUATION ITS FORCES/FRIENDS...OF TENS OF THOUSANDS VIETS ON US PAYROLL...OF HUNDREDS OF MILLIONS DOLS MIL EQUIPMENT/SECRET FILES/CLASSIFIED DOCS LEFT BEHIND...OF POLICY-MAKING AT HIGHEST LEVEL BOTH WILLFUL/MYOPIC AND UNCLASSIFIED

PAGE 10 STATE 302717

AT LOCAL LEVEL BOTH WISHFUL/IRRATIONAL. CALLS BOOK LIST OF HEROES, VILLAINS, INCOMPETENTS--AN "INTERMINABLE BOOK" (ACCOMPANIED BY PHOTO SNEPP).

WSTAR (12/17) CONCLUDES INSTALLMENTS EXCERPTED FROM "DECENT INTERVAL" WITH DETAILED DESCRIPTION OF EVACUATION CIA EMPLOYEES/SOME VIET EMPLOYEES BY BO, ACCORDING C6 PLAN, NGUYEN CAO KY--IN HIS PRIVATE HELICOPTER. VANCE

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